



*SPEAK*  
*4:00pm*

*June 13*  
*Wed. Tues.*

*Washington Court Hotel*

*(copy to Mark)*

**INDEPENDENT BAKERS ASSOCIATION**

P.O. Box 3731 • Washington, D.C. 20007 • (202) 333-8190

*Oy*

April 17, 1989

The Honorable Bob Dole  
U.S. Senate  
Attention: Betty Meyer  
SH 141  
Washington, D.C. 20510

Dear Bob:

On behalf of the Independent Bakers Association, I would like to extend an invitation to speak at our annual June convention luncheon on Wednesday June 14, 1989. We will be meeting at the Washington Court Hotel, formerly the Sheraton Grand. We have invited bakers and leaders in the food industry. Many of your strongest supporters will be attending. Lunch will begin at 12:30 and any time after 1:15 would be an ideal time for you to speak. As always we would be happy to pay an honorarium or make a donation to a charity of your choice. We all hope you will be able to attend. Best personal regards.

Sincerely,

Robert N. Pyle, President  
Independent Bakers Association

*4-20-89 Interim letter*

*\$1,000 honor.*

INDEPENDENT BAKERS ASSOCIATION

JUNE 13, 1989

## FARM BILL

0 THE CONVENTIONAL WISDOM REGARDING THE 1985 FARM BILL WAS THAT IT WAS ONE OF THE BETTER BILLS FOR AGRICULTURE THAT WE'VE HAD IN SOME TIME. IT HAS HELPED MAINTAIN FARMERS' INCOMES DURING A DIFFICULT AND STRESSFUL TIME AND IT HAS HELPED US BE COMPETITIVE IN EXPORT MARKETS WHILE REDUCING CARRYOVER LEVELS OF BASIC COMMODITIES, ESPECIALLY WHEAT AND CORN. COSTS ARE NOW DOWN TO ABOUT \$11.6 BILLION FOR FY 1990.

- 0 I HAD ENCOURAGED THE SENATE AGRICULTURE  
COMMITTEE TO ACT QUICKLY ON THE 1990 BILL, EVEN  
AS EARLY AS THIS YEAR.
- 0 SENATOR LEAHY, CHAIRMAN OF THE SENATE AG  
COMMITTEE, HAS SUGGESTED THE COMMITTEE WILL  
MARKUP THE NON-COMMODITY TITLES THIS YEAR  
AND MARKUP COMMODITY TITLES EARLY NEXT YEAR,  
WITH THE GOAL OF LETTING WINTER WHEAT  
FARMERS KNOW BY LATE SPRING OR EARLY SUMMER  
WHAT THE PROGRAM WILL BE.



0 CONGRESSMAN DE LA GARZA HAS SUGGESTED  
MULTI-YEAR AG LEGISLATION AND HE CONCURS WITH  
THE GOAL OF GETTING IT ON THE PRESIDENT'S DESK  
BY MID-SUMMER OF 1990.

DIRECTION OF FARM BILL

0 MOST OF US WOULD LIKE TO CONTINUE THE  
DIRECTION OF THE 1985 FARM BILL TOWARDS  
GREATER MARKET ORIENTATION, PROTECTING FARM  
INCOME AND EXPORT COMPETITIVENESS.

0     UNDOUBTEDLY, BUDGET CONSTRAINTS WILL BE A  
MAJOR CONSIDERATION OF WHAT CONGRESS CAN  
DO IN FARM POLICY.

### EXPORTS

0     REGARDING EXPORTS, I'M AWARE THAT DOMESTIC  
USERS OF AGRICULTURAL PRODUCTS ARE  
WATCHING MARKET DEVELOPMENTS, ESPECIALLY IN  
WINTER WHEAT WHERE WE HAD A DROUGHT THIS  
SPRING IN SEVERAL MIDWESTERN STATES.

0 IN RESPONSE, USDA HAS GONE SLOWER ON THE  
EXPORT ENHANCEMENT PROGRAM AND HAS CALLED  
FOR A REDUCTION IN THE SET-ASIDE FROM 10  
PERCENT DOWN TO 5 PERCENT. UNDER NORMAL  
CONDITIONS, THIS WILL HELP WHEAT PRODUCTION  
REBOUND TO OVER TWO AND ONE-HALF BILLION  
BUSHELS NEXT YEAR AND SHOULD BEGIN TO  
REBUILD OUR CARRYOVER STOCKS.

## EXPORT ENHANCEMENT PROGRAM

0 THE ADMINISTRATION'S REVIEW OF THE EEP  
PROGRAM SHOULD BE FINISHED SHORTLY. THERE  
WILL BE CONTINUED PRESSURE FROM FARM-STATE  
LAWMAKERS TO CONTINUE THE PROGRAM UNTIL THE  
EUROPEANS AGREE TO REDUCE UNFAIR TRADE  
PRACTICES.



0    THERE HAS BEEN SOME DISCUSSION THAT THE  
ADMINISTRATION MAY LOOK AT MORE VALUE-ADDED  
SALES AS A WAY TO KEEP THE PRESSURE ON SINCE  
VALUE-ADDED SALES WOULD MEAN LOST "JOBS" TO  
THE EUROPEAN COMMUNITY AND WOULD BE A SORT  
OF "SHOT ACROSS THE BOW."

CHINA

- 0 CHINA HAS BEEN BUYING SOFT RED WHEAT LATELY  
WITHOUT AN EEP SUBSIDY SO THAT MAY INDICATE  
WE ARE CLOSE TO BEING FULLY COMPETITIVE ONCE  
AGAIN.
- 0 ALTHOUGH CHINA HAS BEEN UNDERGOING A DEEP  
INTERNAL CONFLICT, FROM A LONG-TERM  
PERSPECTIVE, IT HAS BEEN A GOOD MARKET FOR  
AMERICAN FARMERS AND SHOULD BE FOR YEARS TO  
COME.

## PLANTING FLEXIBILITY

- 0 A LIKELY EMPHASIS FOR THE NEXT FARM BILL WILL BE THE NEED FOR GREATER FLEXIBILITY IN FARM PROGRAMS.
- 0 MANY FARMERS FEEL THE CURRENT POLICY OF CROP-SPECIFIC BASES NOW LOCKS THEM INTO GROWING A CROP TO QUALIFY FOR GOVERNMENT PAYMENTS. THEY WOULD LIKE MORE LEEWAY TO SWITCH BETWEEN CROPS WHILE PROTECTING BASES.

## GROUNDWATER / ENVIRONMENT

- 0 GROUNDWATER AND ENVIRONMENTAL ISSUES ARE  
ALSO EXPECTED TO RECEIVE MORE ATTENTION AND  
PRODUCERS AND AGRIBUSINESS ARE BEGINNING TO  
GEAR UP FOR THE DEBATE.
- 0 AGRICULTURE WILL NEED TO BE PRO-ACTIVE RATHER  
THAN RE-ACTIVE.



## IMMEDIATE AGENDA

- 0 THE SENATE AGRICULTURE COMMITTEE HAS  
STARTED TO MARKUP UP RURAL DEVELOPMENT.
- 0 I HAVE SUGGESTED THE BEST ACTION WE COULD  
TAKE TO SUSTAIN THE LIVLIHOOD OF FARMERS AND  
SMALL BUSINESSMEN IN ABOUT 5 MIDWESTERN  
STATES WOULD BE TO PASS A DROUGHT BILL FOR  
THOSE CROPS PLANTED LAST YEAR AND HARVESTED  
THIS YEAR, NAMELY WINTER WHEAT.
- 0 THE KANSAS ECONOMY ALONE WILL LOSE OVER \$1.5  
BILLION DUE TO THIS YEAR'S DROUGHT.

## RECONCILIATION

0 THE COMMITTEE ALSO NEEDS TO ADDRESS HOW TO  
COME UP WITH ABOUT \$600 MILLION IN SAVINGS TO  
MEET OUR RECONCILIATION TARGETS. (SO ANY  
DONATIONS WOULD BE WELCOME) WE ARE STILL  
WORKING ON IDEAS.

JUNE 12, 1989

TO: SENATOR DOLE  
FROM: MARK SCANLAN  
SUBJECT: INDEPENDENT BAKERS

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BACKGROUND -- IBA is a trade group of about 300 small and mid-sized wholesale bakers.

This will be an informal presentation and there will be about 80 people. They would like you to speak about 15 minutes with Q & A following. You will be introduced by Bill McCurry of Manilder Milling Company from Shawnee Mission, Kansas.

GENERAL ISSUES -- You may want to touch on China, Senate and Congressional calander and agriculture.

AG ISSUES -- The Bakers don't like EEP. They are interested in rebuilding wheat reserves to about 900 million bushels.

They may also be concerned about the EEP review which should be finished within the next couple of weeks if the review suggests using EEP to facilitate more value-added products over bulk commodities. The bakers dislike EEP because it tends to raise their raw ingredient prices. In addition, they are concerned about value-added sales of flour and oil because of the impact of prices.

You may want to indicate the need to be prudent while at the same time applying pressure to the EEC to reform international trade practices.